



FINANCIAL HIGHLIGHTS

TOWN OF
JACKSON

9-30-14

TOWN OF JACKSON, LOUISIANA

FINANCIAL REPORT

SEPTEMBER 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
<u>Independent Auditors' Report</u>	1 - 2
<u>Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></u>	3 - 4
<u>Required Supplementary Information (Part I)</u> Management's Discussion and Analysis	5 - 11
<u>Basic Financial Statements:</u> GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS):	
Statement of Net Position	12
Statement of Activities	13
FUND FINANCIAL STATEMENTS (FFS):	
Balance Sheet -- Governmental Funds	14
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances -- Governmental Fund Types	16
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	17
Balance Sheet -- Proprietary Fund	18
Statement of Revenues, Expenses, and Changes in Fund Net Position -- Proprietary Fund	19
Statement of Cash Flows -- Proprietary Fund	20 - 21
<u>Notes to Financial Statements</u>	22 - 33
<u>Required Supplementary Information (Part II)</u>	
Budgetary Comparison Schedule -- General Fund	34
Budgetary Comparison Schedule -- Special Revenue Fund	35
<u>Supplementary Information</u>	
Schedule of Revenues and Expenses by Activity -- Budget (GAAP Basis) and Actual - Enterprise Funds -- Public Utility Revenue Fund	36
Schedule of Principal Officials and Salaries	37
<u>Statistical Data (unaudited)</u>	
Insurance-in-Force	38
Public Utility System Operations	39 - 40

TABLE OF CONTENTS

	<u>Page</u>
<u>Other Reports Required by GOVERNMENT AUDITING STANDARDS</u>	
Schedule of Findings and Responses	41 - 43
Corrective Action Plan	44 - 45

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Jackson, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Jackson's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of September 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 11 and 34 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

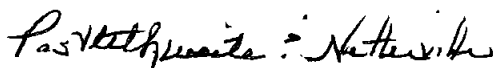
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Jackson, Louisiana's basic financial statements. The Schedule of Revenues and Expenses by Activities and the Schedule of Principal Officials and Salaries are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Revenues and Expenses by Activities and the Schedule of Principal Officials and Salaries are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenses by Activities and the Schedule of Principal Officials and Salaries are fairly stated, in all material respects in relation to the basic financial statements as a whole.

The Insurance-in-Force and Public Utility System Operations schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2015 on our consideration of the Town of Jackson, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Jackson, Louisiana's internal control over financial reporting and compliance.



Donaldsonville, Louisiana
January 27, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

To the Honorable Mayor and Members
of the Board of Aldermen
Town of Jackson, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Town of Jackson, Louisiana, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Jackson, Louisiana's basic financial statements and have issued our report thereon dated January 27, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Jackson, Louisiana's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Jackson, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Jackson, Louisiana's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. [2014-1].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Jackson, Louisiana's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as items 2014-2.

Town of Jackson, Louisiana's Response to Findings

The Town of Jackson, Louisiana's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Jackson, Louisiana's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite: Nettlesville

Donaldsonville, Louisiana
January 27, 2015

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

This section of the Town of Jackson, Louisiana's (the Town) annual financial report presents our discussion and analysis of the Town's financial performance during the fiscal year that ended on September 30, 2014. Please read it in conjunction with the Town's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The Town's combined total net position decreased by \$195,975 or 4.3% over the course of this year's operations. Net position of our governmental activities decreased \$67,563 (or 3.5%) while those of our business-type activities decreased \$128,412 (or 4.8%).

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts—management's discussion and analysis (this section), the basic financial statements, required supplementary information, and an optional section that presents supplemental statements and schedules. The basic financial statements include two kinds of statements that present different views of the Town:

- The first two statements are government-wide financial statements that provide long-term and short-term information about the Town's overall financial status and economic condition.
- The remaining statements are fund financial statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - The governmental fund statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
 - Proprietary fund statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the water, sewer and gas delivery systems.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and relate to one another.

TOWN OF JACKSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

Figure A-1
Major Features of the Town's Government and Fund Financial Statements

	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
<u>Scope</u>	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, fire, and streets	Activities the Town operates similar to private businesses: the water, sewer and gas systems
<u>Required financial statements</u>	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses, and changes in net position • Statement of cash flows
<u>Accounting basis and measurements focus</u>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<u>Type of asset/liability information</u>	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
<u>Type of inflow/outflow information</u>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

Government-wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net assets and how they have changed. Net position—the difference between the Town's assets and liabilities—is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, one needs to consider additional nonfinancial factors such as changes in the Town's property tax base and the condition of the Town's roads and utilities infrastructure.

The government-wide financial statements of the Town are divided into two categories:

- Governmental activities—most of the Town's basic services are included here, such as the police, fire, public works, parks department, and general administration. Property taxes, sales taxes, franchise fees and interest finance most of these activities.
- Business-type activities—The Town charges fees to customers to help it cover the costs of certain services it provides. The Town's water, gas and sewer systems are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's most significant funds—not the Town as a whole. Funds are accounting devices that the Town uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law, while others may be required by bond covenants.
- Governmental funds - Most of the Town's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.
- Proprietary funds - Services for which the Town charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long-and short-term financial information. In fact, the Town's enterprise funds (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.

TOWN OF JACKSON, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

Table A-1		
Town's Net Position		
	Governmental Activities	Governmental Activities
	2014	2013
Current and other assets	\$ 635,256	\$ 463,529
Capital assets	959,476	1,079,372
Total assets	1,594,732	1,542,901
Current liabilities	(278,433)	(391,603)
Long term liabilities	17,474	11,250
Total liabilities	(260,959)	(380,353)
Net position		
Net investment in capital assets	959,476	1,079,372
Restricted funds	758,848	747,532
Unrestricted (deficit)	137,367	96,350
Total net position	\$ 1,855,691	\$ 1,923,254

Table A-1		
Town's Net Position		
	Business-Type Activities	Business-Type Activities
	2014	2013
Current and other assets	\$ 819,211	\$ 994,576
Capital assets	2,239,778	2,384,656
Total assets	3,058,989	3,379,232
Current liabilities	410,784	504,966
Long term Liabilities	119,483	217,132
Total liabilities	530,267	722,098
Net position		
Net investment in capital assets	2,131,258	2,173,498
Restricted funds	41,822	609,795
Unrestricted (deficit)	355,642	(126,159)
Total net position	\$ 2,528,722	\$ 2,657,134

Net position of the Town's governmental activities decreased 3.5 percent to approximately \$1.9 million.

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

Changes in net position. The Town's total change in net position was (\$195,975); (\$67,563) from governmental activities and (\$128,412) from business-type activities. The changes in net position result from those activities' revenues falling short of expenses. Table A-2 shows the composition of revenues and summarizes the expenses by function or service area.

Table A-2			
Changes in Town's Net Position			
	Governmental Activities		Governmental Activities
	2014		2013
Revenues			
Program revenues			
Charges for services	\$ 23,828	\$	21,336
Operating grants	27,607		40,000
General revenues			
Taxes	499,409		427,798
Licenses and permits	86,505		82,721
Miscellaneous	170,243		150,142
Total revenues	807,592		721,997
Expenses			
General government	599,807		608,715
Public safety	481,111		428,534
Recreation	4,237		4,760
Total expenses	1,085,155		1,042,009
Transfers	210,000		185,000
Increase (decrease) in net position	\$ (67,563)	\$	(135,012)

Table A-2			
Changes in Town's Net Position			
	Business-Type Activities		Business-Type Activities
	2014		2013
Revenues			
Program revenues			
Charges for services	\$ 883,574	\$	861,578
Operating grants	32,993		119,092
General revenues			
Miscellaneous	5,320		2,245
Total revenues	921,887		982,915
Expenses			
Services - Utilities	840,299		777,165
Total expenses	840,299		777,165
Transfers	(210,000)		(185,000)
Increase (decrease) in net position	\$ (128,412)	\$	20,750

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As the Town completed the year, its governmental funds reported a combined fund balance of \$913,689, consisting of \$154,841 in the general fund and \$758,848 in the special revenue fund. The \$154,841 in the general fund is unassigned and available for spending. The \$758,848 in the special revenue fund is reserved in order to maintain streets and sidewalks.

General Fund Budgetary Highlights

Over the course of the year, the Board of Alderman revised the Town budget. These budget amendments resulted from:

- Increased sales tax revenues.
- Decreased fines and forfeitures

Under the revised budget, the general fund was budgeted for a net surplus of \$38,495, which was \$40,368 greater than the originally budgeted deficit of \$1,873.

CAPITAL ASSETS

At the end of September 30, 2014, the Town had invested approximately \$3.2 million in a broad range of capital assets, including police and fire equipment, buildings, vehicles, streets, and water and sewer systems. See Table A-3. This amount represents a net decrease (including additions and deductions) of (\$264,774) or 7.6 percent over last year.

Table A-3
Town's Capital Assets
(net of depreciation)

	Governmental Activities		Business Activities	
	2014	2013	2014	2013
Land	\$ 26,000	\$ 26,000	\$ 18,300	\$ 18,300
Buildings	115,513	126,350	16,871	9,472
Other Improvements	532,592	581,797	2,183,494	2,346,697
Equipment	285,371	345,225	21,113	10,187
Total	\$ 959,476	\$ 1,079,372	\$ 2,239,778	\$ 2,384,656

This year's major capital asset additions included:

- A project which consisted of the purchase of 46 water meters and the purchase and installation of a SCADA system which cost approximately \$32,000.

TOWN OF JACKSON, LOUISIANA

MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2014

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's major sources of revenue for the general fund consists of property taxes, sales tax, utility franchise fees, licenses and permits, and fines. Gas revenue fluctuates according to the Town's cost. Expenses of the utility fund are not expected to increase substantially, except for the costs of gas, which may continue an increasing trend from the past several years.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town's mayor, Charles Coleman, 1610 Charter Street, Jackson, LA 70748, (225) 634-7777.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash	\$ 498,222	\$ 587,520	\$ 1,085,742
Property tax receivable	1,877	-	1,877
Accounts receivable (net)	-	104,907	104,907
Due from other governmental agencies	107,105	-	107,105
Accrued interest receivable	43	504	547
Other receivables	28,009	-	28,009
Restricted assets	-	126,280	126,280
Capital assets:			
Land	26,000	18,300	44,300
Other capital assets, net of depreciation	933,476	2,221,478	3,154,954
TOTAL ASSETS	<u>1,594,732</u>	<u>3,058,989</u>	<u>4,653,721</u>
<u>LIABILITIES</u>			
Accounts payable	32,147	5,258	37,405
Accrued liabilities	6,775	3,713	10,488
Internal balances	(317,355)	317,355	-
Customer service meter deposits	-	84,458	84,458
Long-term liabilities:			
Due to Louisiana Department of Transportation	-	108,520	108,520
Compensated absences	17,474	10,963	28,437
TOTAL LIABILITIES	<u>(260,959)</u>	<u>530,267</u>	<u>269,308</u>
<u>NET POSITION</u>			
Net investment in capital assets	959,476	2,131,258	3,090,734
Restricted for:			
Streets and sidewalks	758,848	-	758,848
Customer deposits	-	41,822	41,822
Unrestricted	137,367	355,642	493,009
TOTAL NET POSITION	<u>\$ 1,855,691</u>	<u>\$ 2,528,722</u>	<u>\$ 4,384,413</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Fees, Fines, and Charges for Services	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental:						
General government	\$ 599,807	\$ -	\$ -	\$ (599,807)	\$ -	\$ (599,807)
Public safety	481,111	23,828	27,607	(429,676)	-	(429,676)
Recreation	4,237	-	-	(4,237)	-	(4,237)
Total governmental activities	<u>1,085,155</u>	<u>23,828</u>	<u>27,607</u>	<u>(1,033,720)</u>	<u>-</u>	<u>(1,033,720)</u>
Business-type:						
Utilities - Gas	301,900	295,471	-	-	(6,429)	(6,429)
Utilities - Water	273,494	254,827	-	-	(18,667)	(18,667)
Utilities - Sewer	264,905	333,276	32,993	-	101,364	101,364
Total business-type activities	<u>840,299</u>	<u>883,574</u>	<u>32,993</u>	<u>-</u>	<u>76,268</u>	<u>76,268</u>
Total Town of Jackson	<u>\$ 1,925,454</u>	<u>\$ 907,402</u>	<u>\$ 60,600</u>	<u>\$ (1,033,720)</u>	<u>\$ 76,268</u>	<u>\$ (957,452)</u>
General Revenues:						
Taxes				499,409	-	499,409
Licenses and permits				86,505	-	86,505
Intergovernmental				4,743	-	4,743
Interest				230	1,545	1,775
Transfers (to)/from other funds				210,000	(210,000)	-
Other				165,270	3,775	169,045
Total general revenues				<u>966,157</u>	<u>(204,680)</u>	<u>761,477</u>
Change in net position				(67,563)	(128,412)	(195,975)
Net Position - September 30, 2013				<u>1,923,254</u>	<u>2,657,134</u>	<u>4,580,388</u>
Net Position - September 30, 2014				<u>\$ 1,855,691</u>	<u>\$ 2,528,722</u>	<u>\$ 4,384,413</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2014

	General Fund	Special Revenue Fund	Total
<u>ASSETS</u>			
Cash	\$ 127,914	\$ 322,075	\$ 449,989
Certificates of deposit	5,751	42,482	48,233
Property taxes receivable	1,877	-	1,877
Other accounts receivable	28,009	-	28,009
Due from other governmental agencies	52,602	54,503	107,105
Due from other funds	330,791	344,218	675,009
Accrued interest receivable	12	31	43
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	\$ 546,956	\$ 763,309	\$ 1,310,265
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Accounts payable	\$ 29,232	\$ 2,915	\$ 32,147
Accrued liabilities	5,229	1,546	6,775
Due to other funds	357,654	-	357,654
	<hr/>	<hr/>	<hr/>
	392,115	4,461	396,576
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>			
Restricted for			
Streets and sidewalks	-	758,848	758,848
Unassigned, reported in			
General fund	154,841	-	154,841
	<hr/>	<hr/>	<hr/>
	154,841	758,848	913,689
	<hr/>	<hr/>	<hr/>
TOTAL LIABILITIES AND FUND BALANCES	\$ 546,956	\$ 763,309	\$ 1,310,265
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2014

Total fund balances - Governmental Funds		\$ 913,689
Cost of capital assets at September 30, 2014	\$ 3,178,255	
Less: accumulated depreciation as of September 30, 2014	<u>(2,218,779)</u>	959,476
Long-term liabilities at September 30, 2014:		
Compensated absences payable		<u>(17,474)</u>
Total net position at September 30, 2014 - Governmental Activities		<u><u>\$ 1,855,691</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	General	Special Revenue	Total
<u>REVENUES</u>			
Taxes	\$ 261,869	\$ 237,540	\$ 499,409
Licenses and permits	86,505	-	86,505
Intergovernmental revenues	4,743	-	4,743
Fines and forfeitures	23,828	-	23,828
Interest	23	207	230
Grants - other	27,607	-	27,607
Other revenue	159,470	5,800	165,270
Total revenues	<u>564,045</u>	<u>243,547</u>	<u>807,592</u>
<u>EXPENDITURES</u>			
General government	241,456	232,231	473,687
Public safety	481,111	-	481,111
Recreation	4,237	-	4,237
Total expenditures	<u>726,804</u>	<u>232,231</u>	<u>959,035</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(162,759)	11,316	(151,443)
<u>OTHER FINANCING SOURCES</u>			
Transfers out	-	-	-
Transfers in	210,000	-	210,000
Total other financing sources	<u>210,000</u>	<u>-</u>	<u>210,000</u>
<u>NET CHANGE IN FUND BALANCES</u>	47,241	11,316	58,557
<u>FUND BALANCES</u>			
Beginning of year	107,600	747,532	855,132
End of year	<u>\$ 154,841</u>	<u>\$ 758,848</u>	<u>\$ 913,689</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
SEPTEMBER 30, 2014

Net change in fund balances - governmental funds	\$	58,557
The change in net position reported for governmental activities in the statement of activities is different because:		
Capital outlay capitalized		72,976
Depreciation expense for the year ended September 30, 2014		(192,872)
Excess of compensated absences earned over amounts used		<u>(6,224)</u>
Change in net position of governmental activities	\$	<u><u>(67,563)</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
BALANCE SHEET
PROPRIETARY FUND
SEPTEMBER 30, 2014

ASSETS

CURRENT ASSETS

Cash	\$ 587,520
Accounts receivable (net)	104,907
Accrued interest receivable	504
Total current assets	<u>692,931</u>

RESTRICTED ASSETS

Cash and certificates of deposit	
Customers' service meter deposits	126,280
Total restricted assets	<u>126,280</u>

PROPERTY, PLANT, AND EQUIPMENT

Land	18,300
Buildings	80,359
Improvements and infrastructure	5,886,526
Equipment	115,506
	<u>6,100,691</u>
Less: allowance for depreciation	(3,860,913)
Net property, plant, and equipment	<u>2,239,778</u>
Total Assets	<u>\$ 3,058,989</u>

LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts payable	\$ 5,258
Customers' service meter deposits	84,458
Due to other funds	317,355
Other current liabilities	3,713
Total current liabilities	<u>410,784</u>

LONG-TERM LIABILITIES

Other liabilities	108,520
Compensated absences	10,963
Total long-term liabilities	<u>119,483</u>
Total Liabilities	<u>530,267</u>

NET POSITION

Net investment in capital assets	2,131,258
Restricted - customer deposits	41,822
Unrestricted	355,642
Total Net Position	<u>2,528,722</u>
Total Liabilities and Net Position	<u>\$ 3,058,989</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

OPERATING REVENUES

Gas sales	\$ 287,072
Water sales	246,428
Sewerage sales	324,877
Penalties and service charges	25,197
Total operating revenues	<u>883,574</u>

OPERATING EXPENSES

Salaries	173,560
Wages	44,363
Audit and accounting	10,000
Depreciation	192,094
Electricity	30,151
Employees' retirement expense	32,726
Engineering fees	8,025
Gas purchases	127,844
Insurance	81,357
Legal	2,138
Maintenance, repairs, and supplies	83,912
Miscellaneous	10,789
Printing, stationery, and supplies	14,834
Water pumpage charge	318
Truck expense	19,017
Utilities	6,670
Total operating expenses	<u>837,798</u>

INCOME FROM OPERATIONS 45,776

NON-OPERATING REVENUES (EXPENSES)

Interest revenues	1,545
Miscellaneous revenues	3,775
Interest expense	(2,501)
Federal grant revenue	32,993
Total non-operating revenues (expenses)	<u>35,812</u>

INCOME BEFORE TRANSFERS AND CONTRIBUTIONS 81,588

Operating transfers in	-
Operating transfers out	<u>(210,000)</u>

CHANGE IN NET POSITION (128,412)

Net position - beginning of year	<u>2,657,134</u>
Net position - end of year	<u>\$ 2,528,722</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 888,015
Cash paid to suppliers for goods and services	(520,262)
Cash paid to employees for services	(215,398)
Net cash provided by operating activities	<u>152,355</u>

**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Operating transfers out	(210,000)
Other revenue	3,775
Net cash used for non-capital financing activities	<u>(206,225)</u>

**CASH FLOWS FROM CAPITAL AND
RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	(47,216)
Principal paid on revenue bonds	(99,121)
Interest paid on revenue bonds and notes	(6,018)
Proceeds from capital grant	32,993
Net cash used in capital and related financing activities	<u>(119,362)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earned on investments	<u>1,701</u>
Net cash provided by investing activities	<u>1,701</u>

Net decrease in cash and cash equivalents (171,531)

Cash and cash equivalents - beginning of year 885,331

Cash and cash equivalents - end of year \$ 713,800

Cash shown on balance sheet under:

Current assets	587,520
Restricted assets	<u>126,280</u>

\$ 713,800

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

RECONCILIATION OF INCOME FROM OPERATIONS
TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Income from operations	\$ 45,776
Adjustments to reconcile income from operations to net cash provided by operating activities:	
Depreciation	192,094
Net change in assets and liabilities:	
Accounts receivable	3,678
Accounts payable	3,167
Customer service meter deposits	763
Accrued payroll	1,053
Compensated absences	1,472
Due to other funds	(95,648)
Total adjustments	<u>106,579</u>
Net cash provided by operating activities	<u>\$ 152,355</u>

The accompanying notes are an integral part of this statement.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies

The Town of Jackson, Louisiana (the Town) was incorporated on April 2, 1832, and operates under a Mayor - Board of Aldermen form of government. As authorized by its charter, the Town is responsible for public safety, highways and streets, sanitation, recreation, public improvements, and general administrative services.

The Town's basic financial statements consist of the government-wide statements and the fund financial statements. The statements are prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units and promulgated by the Governmental Accounting Standards Board (GASB) *Codification of Governmental Accounting and Financial Reporting Standards*. The entity-wide financial statements follow the guidance included in GASB Statement No. 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Such accounting and reporting procedures conform to the requirements of Louisiana Revised Statute 24:517, to the guidance set forth in the *Louisiana Governmental Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units* published by the American Institute of Certified Public Accountants.

Financial reporting entity

Governmental Accounting Standards Board (GASB) Section 2100, *Defining the Financial Reporting Entity*, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Since the Town is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments, it is considered a primary government under the provisions of this Statement. As used in GASB Statement No. 61, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. Additionally, the Town does not have any component units, which are defined by GASB Statement No. 61 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

The following is a summary of certain significant accounting policies and practices:

Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities display information about the Town of Jackson as a whole entity. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between *the governmental and business-type activities* of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions, while business-type activities are financed in whole or in part by fees charged to external parties.

GASB Statement No. 65, *Items previously Reported as Assets and Liabilities*, effective for financial statement periods ending after December 15, 2013, established accounting and reporting standards that reclassified certain items that were previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources. GASB Statement 65 does not have an impact on the Town of Jackson's financial statements at this time, as it does not contain items that need to be reclassified as defined in this statement.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds. Separate statements for each fund category—*governmental and proprietary*—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column.

The Town reports the following major governmental funds:

- a. General Fund - This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- b. Special Revenue Fund - This fund accounts for the collection and expenditure of the sales tax received from the East Feliciana Police Jury whose use is restricted to streets and sidewalks within the Town.

The Town reports the following major enterprise fund:

Public Utilities Fund -- As a proprietary fund, the public utility fund is used to account for operations, (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing the goods or services to the general public on a continuing basis be financed or recovered through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements. The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and employ the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Town considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, franchise taxes, licenses, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Budgets and budgetary accounting

The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is held to obtain taxpayer comments.
3. The budget is adopted through the passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts originally estimated require the approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the general, special revenue, and proprietary funds are adopted on bases consistent with accounting principles generally accepted in the United States of America.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more.
8. The level of budgetary control is total appropriations. Budgeted amounts are as originally adopted.

Capital assets

Depreciation of all exhaustible capital assets is charged as an expense against operations. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Sewerage system	25 years
Gas plant and structures	25 years
Office equipment	5-10 years
Automotive equipment	3-7 years
Street improvements	10 Years
Buildings	40 years
Heavy machinery	10-15 years

All capital assets are stated at historical cost.

Cash and investments

Cash and investments, which include demand deposit accounts, interest-bearing demand deposit accounts, and certificates of deposit, are stated at cost, which approximates market.

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may deposit funds in demand deposit accounts, interest-bearing demand deposit accounts, money market accounts, and time certificates of deposit with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

Accounts receivable

Uncollectible amounts due from customers for utility services are recognized through the establishment of an allowance for bad debts account at the time information becomes available which indicates the collectability of the particular receivable.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

1. **Summary of significant accounting policies** (continued)

Transfers in and out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the transfers are accounted for through the various due from and due to accounts.

Statements of cash flows

For purposes of the statements of cash flows, the Town considers all highly liquid investments (including restricted assets) with original maturities of three months or less to be cash equivalents.

Encumbrances

Encumbrances accounting, under which contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town.

Operating vs. non-operating revenue

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principle activity of the fund. Non-operating revenues, such as grant subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Compensated absences

Employees earn vacation leave at various rates depending upon the length of their employment. Amounts of vested or accumulated vacation leave are expected to be liquidated with expendable available financial resources of the general fund and are reported as an expenditure and liability of the fund as the benefits accrue to employees. Vested or accumulated vacation leave of business-type funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

Equity Classifications

Government-wide Statements: In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Fund Financial Statements: In the fund financial statements, governmental fund equity is classified as fund balance. As such, fund balance of the governmental fund is classified as follows:

- a. Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- b. Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- c. Committed – amounts that can be used only for specific purposes determined by a formal decision of the Town, which is the highest level of decision-making authority.
- d. Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes.
- e. Unassigned – all other spendable amounts.

When expenditures are incurred for the purposes for which both restricted and unrestricted amounts are available, the Town reduces restricted amounts first, followed by unrestricted amounts. When expenditures are incurred for purposes for which committed, assigned, or unassigned amounts are available, the Town reduces committed amounts first, followed by assigned amounts, and finally unassigned amounts, as needed, unless the Town has provided otherwise in its committed or assignment actions.

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of significant accounting policies (continued)

New Accounting Pronouncement Implemented

The Town implemented Governmental Accounting Standards Board (GASB) Statement 65, Items Previously Reported as Assets and Liabilities in fiscal year 2014. GASB 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

2. Capital Assets

Capital assets and depreciation activity as of and for the year ended September 30, 2014, are as follows:

Governmental activities:

	Land	Buildings	Streets, Sidewalks and Park Improvements	Equipment	Total
Cost of capital assets					
at September 30, 2013	\$ 26,000	\$ 406,317	\$ 1,046,626	\$ 1,630,836	\$ 3,109,779
Additions	-	1,450	28,306	43,220	72,976
Deletions	-	-	-	(4,500)	(4,500)
Cost of capital assets					
at September 30, 2014	26,000	407,767	1,074,932	1,669,556	3,178,255
Accumulated depreciation					
September 30, 2013	-	279,967	464,829	1,285,611	2,030,407
Additions	-	12,287	77,511	103,074	192,872
Deletions	-	-	-	(4,500)	(4,500)
Accumulated depreciation					
September 30, 2014	-	292,254	542,340	1,384,185	2,218,779
Capital assets, net of accumulated depreciation					
at September 30, 2014	<u>\$ 26,000</u>	<u>\$ 115,513</u>	<u>\$ 532,592</u>	<u>\$ 285,371</u>	<u>\$ 959,476</u>

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

2. **Capital Assets** (continued)

Business-Type activities:

	<u>Land</u>	<u>Buildings</u>	<u>Improvement & Infrastructure</u>	<u>Equipment</u>	<u>Total</u>
Cost of capital assets at September 30, 2013	\$ 18,300	\$ 70,909	\$ 5,853,655	\$ 110,611	\$ 6,053,475
Additions	-	9,450	32,871	4,895	47,216
Cost of capital assets at September 30, 2014	18,300	80,359	5,886,526	115,506	6,100,691
Accumulated depreciation September 30, 2013	-	61,438	3,519,602	87,779	3,668,819
Additions	-	2,050	183,430	6,614	192,094
Accumulated depreciation September 30, 2014	-	63,488	3,703,032	94,393	3,860,913
Capital assets, net of accumulated depreciation at September 30, 2014	<u>\$ 18,300</u>	<u>\$ 16,871</u>	<u>\$ 2,183,494</u>	<u>\$ 21,113</u>	<u>\$ 2,239,778</u>

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

3. Long-term obligations

Business Type Activities:

	Balance 9/30/13	Additions	Retirements	Balance 9/30/14	Principal Due Within One Year
1979 water system revenue bonds	\$ 99,121	\$ -	\$ 99,121	\$ -	\$ -

During the year ended September 30, 1980, the Town issued \$373,000 of bonds in order to finance the upgrade and expansion of its water system. These bonds, which were dated January 18, 1979, were paid off in full in April 2014. The Louisiana Department of Transportation is owed \$108,520 from the Town of Jackson which represents the Town's portion of a sewer line relocation project in 1987.

4. Ad valorem taxes

Ad valorem taxes attach as enforceable liens on all applicable property on February 28th of each year. Taxes are levied and are actually billed to the taxpayers in November of each year. Billed ad valorem taxes become delinquent on January 2nd of the following calendar year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of East Feliciana Parish. During the year ended September 30, 2014, taxes of 6.19 mills were levied on property with assessed valuations totaling \$7,097,923 and were dedicated for general purposes.

Ad valorem taxes collected during the year ended September 30, 2014 totaled approximately \$44,326. Of this amount, \$11,472 remained uncollected at September 30, 2014. The Town has a reserve for delinquent property taxes in the amount of \$9,595, therefore the net property tax receivable at September 30, 2014 totaled \$1,877.

5. Interfund receivables and payables

Interfund receivables and payables at September 30, 2014, were as follows:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 330,791	\$ 357,654
Proprietary fund	-	317,355
Special Revenue fund	344,218	-
	<u>\$ 675,009</u>	<u>\$ 675,009</u>

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

6. Defined benefit pension plan

Substantially all employees of the Town of Jackson are members of either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

a. Municipal Employees Retirement System of Louisiana (the System)

Plan description - the system is composed of two distinct plans, Plan A and Plan B, which has separate assets and benefit provisions. All employees of the Town are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and who are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after the age of 60 with at least 10 years of creditable service or at or after the age of 55 with at least 25 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding policy - under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate paid by the Town during the past fiscal year was 16.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson's contributions to the System under Plan A during the years ending September 30, 2014, 2013, and 2012 were \$75,864, \$69,572, and \$66,047, respectively, equal to the required contributions for these years.

TOWN OF JACKSON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

6. **Defined benefit pension plan** (continued)

b. **Municipal Police Employees Retirement System of Louisiana (the System)**

Plan description - all full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after the age of 50 with at least 20 years of creditable service or at or after the age of 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate their employment with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8550 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

Funding policy - plan members are required by state statute to contribute 10.0 percent of their annual covered salary to the System, and the Town of Jackson is required to make contributions at an actuarially determined rate. The rate paid by the Town during the past fiscal year was between 26.5 – 31 percent of annual covered payroll. The contribution requirements of plan members and the Town of Jackson are established and amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Jackson's contributions to the System during the years ending September 30, 2014, 2013, and 2012 were \$32,965, \$31,383, and \$24,913, respectively, equal to the required contributions for these years.

7. **Segments of enterprise activities**

Gas, water, and sewerage services are provided by the Town and are financed by user charges. The significant financial data for the year ended September 30, 2014, for these three services are as follows:

	<u>Gas</u>	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Operating revenues	\$ 295,471	\$ 254,827	\$ 333,276	\$ 883,574
Operating expenses	301,172	271,721	264,905	837,798
Depreciation	1,014	51,020	140,060	192,094
Income (loss) before transfers and contributions	(5,701)	(16,894)	68,371	45,776
Change in net position	(1,739)	(18,013)	(108,660)	(128,412)
Property, plant and equipment additions	9,450	32,871	4,895	47,216

TOWN OF JACKSON, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Due from other governmental agencies

As of September 30, 2014 amounts due from other governmental agencies were \$107,105.

9. Sales Taxes

Streets and sidewalks

The Town receives 14.6863% of a one cent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. These proceeds are restricted to the general maintenance and repairs of streets and sidewalks in the Town of Jackson. The Town recognized \$237,540 of sales tax revenue during the year ended September 30, 2014. This tax expires December 31, 2014.

General fund

The Town receives 13.46% of a one cent East Feliciana Parish sales tax collected on sales occurring within the Parish boundaries. These proceeds are available for any lawful purpose of operating a municipality. The Town recognized \$217,543 of sales tax revenue during the year ended September 30, 2014.

10. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a financial institution, a government will be unable to recover its deposits. The Town does not have a deposit policy for custodial credit risk. To mitigate this risk, state law requires deposits to be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent financial institution. The Town's bank balances (as opposed to the carrying amount below) totaled \$1,242,104. Of the bank balance, \$250,000 was secured by federal depository insurance, while \$1,016,573 was collateralized by securities held by the bank's agent in the Town's name. Therefore, the Town did not have any deposits that were exposed to custodial credit risk.

At September 30, 2014, the carrying amounts of the Town's bank deposits totaled \$1,212,022.

REQUIRED SUPPLEMENTAL INFORMATION

BUDGETARY COMPARISON SCHEDULES

TOWN OF JACKSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Ad valorem taxes	\$ 45,000	\$ 45,000	\$ 44,326	\$ (674)
Sales tax	175,000	200,000	217,543	17,543
Licenses and permits	80,000	80,000	86,505	6,505
Intergovernmental revenues:				
Beer taxes	4,500	4,500	4,743	243
Fines and forfeitures	40,000	25,000	23,828	(1,172)
Other	112,000	169,000	187,100	18,100
Total revenues	<u>456,500</u>	<u>523,500</u>	<u>564,045</u>	<u>40,545</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
General government	213,625	213,625	241,456	(27,831)
Public safety	483,248	509,880	481,111	28,769
Recreation	6,500	6,500	4,237	2,263
Total expenditures	<u>703,373</u>	<u>730,005</u>	<u>726,804</u>	<u>3,201</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	(246,873)	(206,505)	(162,759)	43,746
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	<u>245,000</u>	<u>245,000</u>	<u>210,000</u>	<u>(35,000)</u>
Total other financing sources	<u>245,000</u>	<u>245,000</u>	<u>210,000</u>	<u>(35,000)</u>
<u>NET CHANGE IN FUND BALANCES</u>	(1,873)	38,495	47,241	8,746
<u>FUND BALANCES</u>				
Beginning of year	<u>107,600</u>	<u>107,600</u>	<u>107,600</u>	-
End of year	<u>\$ 105,727</u>	<u>\$ 146,095</u>	<u>\$ 154,841</u>	<u>\$ 8,746</u>

TOWN OF JACKSON, LOUISIANA
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>REVENUES</u>				
Taxes	\$ 195,000	\$ 225,000	\$ 237,540	\$ 12,540
Interest revenue	700	700	207	(493)
Miscellaneous revenue	15,000	7,500	5,800	(1,700)
Total revenues	<u>210,700</u>	<u>233,200</u>	<u>243,547</u>	<u>10,347</u>
<u>EXPENDITURES</u>				
Current operating expenditures:				
General government	<u>185,000</u>	<u>215,000</u>	<u>232,231</u>	<u>(17,231)</u>
Total expenditures	<u>185,000</u>	<u>215,000</u>	<u>232,231</u>	<u>(17,231)</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>25,700</u>	<u>18,200</u>	<u>11,316</u>	<u>(6,884)</u>
<u>OTHER FINANCING SOURCES</u>				
Transfers out	-	-	-	-
Transfers in	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>NET CHANGE IN FUND BALANCES</u>	<u>25,700</u>	<u>18,200</u>	<u>11,316</u>	<u>(6,884)</u>
<u>FUND BALANCES</u>				
Beginning of year	<u>747,532</u>	<u>747,532</u>	<u>747,532</u>	<u>-</u>
End of year	<u>\$ 773,232</u>	<u>\$ 765,732</u>	<u>\$ 758,848</u>	<u>\$ (6,884)</u>

SUPPLEMENTARY INFORMATION

TOWN OF JACKSON, LOUISIANA
SCHEDULE OF REVENUES AND EXPENSES BY ACTIVITY - BUDGET (GAAP BASIS) AND ACTUAL
ENTERPRISE FUNDS - PUBLIC UTILITY REVENUE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Gas	Water	Sewerage	Actual Total	Budget Total	Variance Favorable (Unfavorable)
<u>OPERATING REVENUES</u>						
Sales	\$ 287,072	\$ 246,428	\$ 324,877	\$ 858,377	\$ 860,000	\$ (1,623)
Penalties and service charges	8,399	8,399	8,399	25,197	20,000	5,197
Total operating revenues	295,471	254,827	333,276	883,574	880,000	3,574
<u>OPERATING EXPENSES</u>						
Salaries	97,084	39,538	36,938	173,560	157,000	(16,560)
Wages	-	2,896	41,467	44,363	70,000	25,637
Audit and accounting	10,000	-	-	10,000	13,000	3,000
Depreciation	1,014	51,020	140,060	192,094	200,000	7,906
Electricity	-	28,923	1,228	30,151	30,000	(151)
Employees' retirement	3,032	2,598	27,096	32,726	34,000	1,274
Engineering fees	-	6,375	1,650	8,025	12,000	3,975
Gas purchases	127,844	-	-	127,844	147,000	19,156
Insurance	19,715	54,487	7,155	81,357	65,000	(16,357)
Legal	713	713	712	2,138	2,000	(138)
Maintenance, repairs, supplies	18,384	58,604	6,924	83,912	70,000	(13,912)
Miscellaneous	3,786	5,911	1,092	10,789	49,700	38,911
Printing, stationery, supplies	-	14,834	-	14,834	12,000	(2,834)
Water pumpage charge	-	318	-	318	-	(318)
Truck expense	19,017	-	-	19,017	15,000	(4,017)
Utilities	583	5,504	583	6,670	8,500	1,830
Total operating expenses	301,172	271,721	264,905	837,798	885,200	47,402
<u>INCOME (LOSS)</u>						
<u>FROM OPERATIONS</u>	(5,701)	(16,894)	68,371	45,776	(5,200)	50,976
<u>NON-OPERATING</u>						
<u>REVENUES (EXPENSES)</u>						
Interest revenues	915	654	(24)	1,545	7,500	(5,955)
Miscellaneous revenues	3,775	-	-	3,775	33,000	(29,225)
Interest expense	(728)	(1,773)	-	(2,501)	(14,000)	11,499
Federal grant revenue	-	-	32,993	32,993	-	32,993
Total non-operating	3,962	(1,119)	32,969	35,812	26,500	9,312
<u>Income (loss) before transfers</u>						
<u>and contributions</u>	(1,739)	(18,013)	101,340	81,588	21,300	60,288
Operating transfers in	-	-	-	-	-	-
Operating transfers out	-	-	(210,000)	(210,000)	(245,000)	35,000
<u>CHANGE IN NET POSITION</u>	<u>\$ (1,739)</u>	<u>\$ (18,013)</u>	<u>\$ (108,660)</u>	<u>\$ (128,412)</u>	<u>\$ (223,700)</u>	<u>\$ 95,288</u>

TOWN OF JACKSON, LOUISIANA
SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
YEAR ENDED SEPTEMBER 30, 2014

Mayor:

Charles Coleman	\$ 14,400
-----------------	-----------

Aldermen:

Michael Harrell	3,600
-----------------	-------

Donald Havard	4,800
---------------	-------

John McCrory	3,600
--------------	-------

Jim Mack Parker	3,600
-----------------	-------

Rafe Stewart	<u>3,600</u>
--------------	--------------

	<u><u>\$ 33,600</u></u>
--	-------------------------

STATISTICAL DATA

TOWN OF JACKSON, LOUISIANA

INSURANCE-IN-FORCE

SEPTEMBER 30, 2014

(Without audit)

Policy	Name of Insurer	Expiration Date	Coverage Limits
Fire and Extended Coverage Building and Contents	Employers' Mutual	02-01-2015	\$ 405,056
Public Official Bond	Dart Insurance Agency	08-30-2015	65,000
Automobile Liability	Louisiana Risk Management	02-01-2015	500,000
General Liability	Louisiana Risk Management	02-01-2015	500,000
Police Professional Liability	Louisiana Risk Management	02-01-2015	500,000
Public Officials Errors and Omissions	Louisiana Risk Management	02-01-2015	500,000
Worker's Compensation	Louisiana Risk Management	01-01-2015	Statutory
Auto Physical Damage	ESSEX	02-01-2015	299,790
Equipment	Employers Mutual	02-01-2015	216,715

TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 2014
(Without Audit)

Statistics on System Operations

- (a) As of September 30, 2014, there were 395 and 821 metered customers for the gas and water systems, respectively. There were no unmetered customers for either the gas or water systems at September 30, 2014.
- (b) The following rate schedules were in effect during the fiscal year for gas and water:

1. Gas:	Rate per 1,000 <u>Cubic Feet</u>
Minimum charge	\$ 12.00
First 1,000 cubic feet or less	15.00 + amount above \$5.00 MCF
Over 1,000 cubic feet	10.00 + amount above \$5.00 MCF

2. Water:	Rate per <u>1,000 Gallons</u>
First 2,000 gallons or less	\$ 11.50 flat rate
Next 13,000 gallons/Mgal	3.30
Next 35,000 gallons/Mgal	2.15
Over 50,000 gallons/Mgal	2.00

- (c) Average monthly billing per customer was:

Residential

1. Gas \$ 46.34

2. Water \$ 22.95

Commercial

1. Gas \$ 178.44

2. Water \$ 47.56

TOWN OF JACKSON, LOUISIANA
PUBLIC UTILITY SYSTEM OPERATIONS
SEPTEMBER 30, 2014
(Without Audit)

Variance Between Gas Purchased and Sold

<u>Year Ended</u>	<u>Gas Purchased MCF's</u>	<u>Gas Billed MCF's</u>	<u>Leakage Variance MCF's</u>	<u>Percent of Gas Purchased</u>
09/30/14	22,401	20,570	1,831	8.2
09/30/13	20,891	18,441	2,450	11.7
09/30/12	17,215	15,822	1,393	8.1
09/30/11	21,755	19,284	2,471	11.4
09/30/10	25,512	22,443	3,069	12.0
09/30/09	20,666	19,730	936	4.5
09/30/08	21,453	18,983	2,470	11.5
09/30/07	23,835	20,538	3,297	13.8
09/30/06	22,418	20,748	1,670	7.4
09/30/05	21,248	21,000	248	1.2
09/30/04	24,449	24,762	-	0.0
09/30/03	28,184	26,562	1,622	5.8
09/30/02	26,944	24,219	2,725	10.1
09/30/01	31,101	31,502	-	0.0
09/30/00	25,608	28,220	-	0.0
09/30/99	26,573	24,270	2,303	8.7

TOWN OF JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2014

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal Control over Financial Reporting:

- Material weakness(es) identified? _____ yes x no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? x yes _____ none reported

Noncompliance material to financial statements noted?

 x yes _____ no

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCIES

2014-1 Segregation of Duties

Criteria: Segregation of duties should be adequate within the Town's accounting department to provide effective internal control.

Condition: There is inadequate segregation of duties within the Town's accounting department. As a result of this weakness, the following has occurred:

- ♦ Utility software is not restricted by user, and is not protected by password login
- ♦ Traffic ticket software is not restricted by user, and administrative rights to the program are not limited to one employee.

Effect: The segregation of duties is inadequate to provide effective internal control.

Cause - Small businesses with few employees in an accounting department typically have difficulty with establishing formal internal control procedures. The Towns software used for its utility services was purchased many years ago. The software cannot be updated to allow for user login and passwords, as a result, access has no limitation. The Towns traffic ticket software also has limitations that restrict the Towns ability to establish effective internal controls. Although these are not valid reasons for the lack of documentation, cost effectiveness certainly needs to be considered.

Recommendation: Understanding that the Town's size may make it unfeasible to adequately staff an accounting department sufficient to segregate duties, we recommend that management consider the following:

- ♦ If cost effective, management should consider the purchase of more current utility software that provides safeguards such as user login and passwords. If not cost effective, management should consider implementing mitigating controls to secure the billing and collection process for its utility services.
- ♦ The Town should establish controls that exist over an employee's ability to make adjustments to tickets issued for fines. The controls should consist of approvals by the Mayor or town clerk of any and all adjustments.

TOWN OF JACKSON, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED SEPTEMBER 30, 2014

B. FINDINGS-FINANCIAL STATEMENTS AUDIT (continued)

SIGNIFICANT DEFICIENCIES (continued)

Management's Response: We concur with the finding and have assessed all software applications. We have determined that the utility software was not designed to allow user login and passwords and it would not be cost effective to purchase and implement a new program at this time. We will develop controls to secure the billing and collection process of our utility services. We have determined that administrative rights to the traffic ticket software program cannot be restricted to one user at this time due to the needs of each user. We will consider the establishment of controls over the approval process related to ticket adjustments. We will continue to monitor the applications and users for both programs.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

2014-2 Louisiana Bid Law

Criteria: Louisiana Revised Statute 38:2212 requires that purchases of any materials and supplies exceeding the sum of thirty thousand dollars shall be advertised and let by contract to the lowest responsible bidder who has bid according to the specifications as advertised.

Condition: A purchase of water meters and a SCADA system exceeding thirty thousand dollars was made and was not advertised as required.

Effect: The failure to advertise and obtain bids for this purchase is a violation of Louisiana Revised Statute 38:2212.

Cause: The Town did not advertise and obtain bids of water meters and SCADA system exceeding thirty thousand dollars. The Town initiated the transaction under a previous purchase of the same equipment and under the assumption that this qualified as a sole source purchase. The original bid contract had expired and the purchase did not qualify as a sole source purchase. The purchase of the water meters was completed prior to the completion of the prior year audit. Therefore, this will be a repeat finding from the prior year audit.

Recommendation: The Town shall advertise for bids for any purchases of materials and supplies exceeding thirty thousand dollars.

Management's Response: The Town will advertise and obtain bids for purchases exceeding thirty thousand dollars.

TOWN OF JACKSON, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2014

SIGNIFICANT DEFICIENCIES

2013-1 Segregation of Duties

Condition: There is inadequate segregation of duties within the Town's accounting department. As a result of this weakness, the following has occurred:

- ◆ Utility software is not restricted by user, and is not protected by password login
- ◆ Traffic ticket software is not restricted by user, and administrative rights to the program are not limited to one employee.

Current Status: A similar finding was noted in the current year audit.

COMPLIANCE WITH STATE LAWS AND REGULATIONS

2013-2 Louisiana Bid Law

Condition: A purchase of water meters between ten and thirty thousand dollars was made and three quotes were not obtained.

Current Status: A finding of this nature was noted in the current year audit.

TOWN OF JACKSON

P.O. BOX 1150
1610 CHARTER STREET
JACKSON, LOUISIANA 70748
(225) 634-7777
FAX (225) 634-2233

CORRECTIVE ACTION PLAN

January 28, 2015

Louisiana Legislative Auditor

The Town of Jackson respectfully submits the following corrective action plan for the year ended September 30, 2014.

Name and address of independent public accounting firm:

Postlethwaite & Netterville, APAC
P. O. Box 1190
Donaldsonville, LA 70346

Audit Period: October 1, 2013 – September 30, 2014

The findings from the schedule of findings and questioned costs and the management letter are discussed below. The findings are numbered consistently with the numbers assigned in the schedule of findings and questioned costs.

FINDINGS – SCHEDULE OF FINDINGS AND QUESTIONED COSTS

2014-1 Segregation of Duties

Recommendation: Understanding that the Town's size may make it unfeasible to adequately staff an accounting department sufficient to segregate duties, we recommend that management consider the following:

- If cost effective, management should consider the purchase of more current utility software that provides safeguards such as user login and passwords. If not cost effective, management should consider implementing mitigating controls to secure the billing and collection process for its utility services.
- The Town should establish controls that exist over an employee's ability to make adjustments to tickets issued for fines. The controls should consist of approvals by the Mayor or town clerk of any and all adjustments.

2014-1

Segregation of Duties (continued)

Action Taken - We concur with the finding and have assessed all software applications. We have determined that the utility software was not designed to allow user login and passwords and it would not be cost effective to purchase and implement a new program at this time. We will develop controls to secure the billing and collection process of our utility services. We have determined that administrative rights to the traffic ticket software program cannot be restricted to one user at this time due to the needs of each user. We will consider the establishment of controls over the approval process related to ticket adjustments. We will continue to monitor the applications and users for both programs.

2014-2

Louisiana Bid Law

Recommendation - The Town shall advertise for bids for any purchases of materials and supplies exceeding thirty thousand dollars.

Action Taken -- The Town will advertise and obtain bids for purchases exceeding thirty thousand dollars.

If the Louisiana Legislative Auditor has questions regarding this plan, please call Holli Gilmore at (225) 634-7777.

Sincerely,



Holli Gilmore
Secretary / Treasurer